



City of Hampton, VA

Meeting Minutes

City Council

22 Lincoln Street
Hampton, VA 23669
www.hampton.gov

Ross A. Kearney, II *Christopher G. Stuart*
Will Moffett *Donnie R. Tuck*
Joseph H. Spencer, II *George E. Wallace*
Molly Joseph Ward, Mayor

Staff:
Mary Bunting, City Manager
Cynthia Hudson, City Attorney
Katherine K. Glass, CMC, Clerk of Council

Wednesday, June 13, 2012 1:04 PM Council Chambers, 8th Floor, City Hall

CALL TO ORDER/ROLL CALL

MOLLY JOSEPH WARD PRESIDED

PRESENT: Ross A. Kearney, II, Will Moffett, Christopher G. Stuart, Donnie R. Tuck, George E. Wallace

ABSENT: Joseph H. Spencer, II

Mayor Ward welcomed everyone to the meeting and noted Councilman Spencer is on a family vacation planned prior to him agreeing to fulfill the remainder of former Councilwoman Leary's term. She then announced this is Councilman Kearney's last work session and thanked him for his service.

AGENDA

1. 12-0252 Briefing on City of Hampton's Irrevocable Election Not to Participate in Line of Duty Act Fund

Ms. Bunting introduced the item stating this is an unfunded mandate from the State; therefore, it is appropriate to highlight the continued struggles we have with the Commonwealth of Virginia on unfunded mandates. She defined the Virginia Line of Duty Act (LODA) as a very appropriate Act which outlines the benefits that our Public Safety First Responders receive should they pass away in the line of duty. The State defines what they are, how extensive they are and forced those decisions on the localities. The State fully funded the act for many years until a few years ago when the State had a budget challenge and decided to pass the obligation on to the local governments; however, did not give the localities the option of changing the benefits. Localities then pushed back asking if they must pay for it, why should they fund it through the State system and not the localities' own systems where it may be done less expensively through self-insurance or a pool with other local governments through the Virginia Municipal League (VML) or Virginia Association of Counties (VACo). The State relented and gave localities the option on how they would fund the benefit. The fact that we are

recommending an alternate way for funding does not change our position; however, it is an example of the State passing on a financial obligation to localities when they ultimately defined the benefit. Assuming Council wants to continue to advocate for a change in the State policy that the State should be funding the benefit, we will continue to advocate for that, but we need to make an election to either go with the State funding of this benefit or do it locally. We believe it is more financially beneficial for Hampton citizens that we fund it through our self-insurance fund. She introduced Retirement Systems Coordinator Ms. Dianne Whistler to brief Council.

Ms. Whistler greeted the members of Council and briefed them on the LODA, how the LODA benefits are paid for, changes that have occurred within the LODA over the years, where we are today with some of the recent changes and how those changes impact the City of Hampton. A copy of the presentation is attached to the minutes.

Ms. Whistler discussed recent changes regarding the LODA listed on slide four of the presentation and noted that initially there were four categories of members covered under the LODA, but now there are twenty categories of employees.

At Councilman Kearney's request, Ms. Whistler elaborated on the employee categories referenced. She explained it began initially with State Police and has expanded into many categories. The City of Hampton specifically has Public Safety employees who are in hazardous duty positions, Fire Department employees which include volunteer firefighters and paramedics. The number of those who have the coverage has grown over the years. We have been able to identify paid employees who are covered under the Virginia Retirement System and we work closely with the Fire Department and volunteer staff coordinators to get a list of those who are covered. In addition to the expansion of categories of members included – and they may not impact the City except we have Sheriff, Sheriff's Deputies, but there are also categories for the State such as the National Guard and Emergency Response Teams.

Ms. Whistler elaborated on the expansion to the benefits. These benefits are in addition to life insurance and workers compensation benefits. What started out with a \$10,000 one-time life payment for someone who was killed in the line of duty, the current pay out for a life claim is \$100,000. Fortunately, Hampton has only had one of those situations in the early 1990's. Most of the changes impacting municipalities have to do with the expansion to include not only the payment for the life claim, but also the expansion and inclusion of payment or reimbursement for health insurance premiums. For retirees, a major portion of their budget is paying for costs incurred for health insurance premiums. That is where most of Hampton's costs are – for what we get reimbursement for, our health insurance premiums for individuals who have already gone out on the line of duty. Over the years, the benefits have grown, the category of employees has grown, but one thing which has remained constant is that the State has paid for these benefits out of the State General Fund.

Ms. Whistler discussed recent changes listed on slide four of the presentation. In July 2010, a separate fund was established called the Line of Duty Fund. Any monies in that fund were to remain separate from the State General Fund and benefits would be paid out of this fund. For FY11, the money they received to pay for benefits from the Line of Duty Fund came from a loan taken from the Virginia Retirement System (VRS) Life insurance program. These are premiums we as an employer have paid into the life insurance and our employees have paid in as they pay their premiums to the State for

life insurance. The General Assembly approved the loan with the initial language being the loan would be paid back under terms approved by the VRS board. Later, it was determined that the approved method meant that the localities would pay back the loan. Premiums would be collected and municipalities had to make an election for FY12 of whether or not they were going to stay in the program with the State in which case the municipalities would do nothing and the State would assume they would stay with the State. This time last year, we were considering an election to opt out. There was a lot of push back from the localities. One, it was difficult to get data out of the State from the actuaries who determined the premiums we would pay. In addition, there wasn't much time to assess their own claim to make a decision about which would be most feasible for them. Hampton had an actuary look at our data and use information from VRS Line of Duty Actuarial reports. Because of the push back, the deadline for making the election to opt out of the State program was extended. We are at that point this year where a decision has to be made on whether we elect to stay with the State plan or if we decide to opt out.

Ms. Whistler noted another change about the LODA is it was put under the investment guidance of the VRS investment team; therefore, additional costs that may be incurred in addition to the benefits that have to be paid out could include administrative costs and investment costs that anyone who participates in the fund would have to pay for those services.

Ms. Whistler reviewed the cost impact of remaining with or opting out of the State program shown on slide six of the presentation. She clarified the \$135,000 is the amount spent on claims paid for line of duty benefits by Hampton. Currently, we send an invoice to the Department of Accounts with the State, and they reimburse us for those costs. Our claims cost for medical premiums, health insurance premiums costs is approximately \$141,000 per year. She noted when we were originally quoted premiums for FY12, that premium was supposed to include \$40 on a per capita basis to go toward the loan repayment. After we paid our premiums, we received a breakdown of what the actuaries were using the premiums for and the benefit cost was greater than what we paid in premiums on a per capita basis. They adjusted that so they wouldn't be charging us more for FY12 and put in a negative \$60 per capita for the loan repayment. This is part of the reason why the benefit was greater than anticipated. Even though the deadline was pushed back for a year to make the election to opt out of the plan, there were approximately 140 localities which said we are opting out.

Councilman Stuart inquired why the FY14 State Plan Premium paid and projected number remains in the high range of \$390,000 versus prospective self-insure health premium costs which dropped to \$240,000. Ms. Whistler replied the State number is high due to adverse selection meaning some municipalities have higher medical claims costs. Another significant issue is the number of localities with a large number of employees and therefore, it is riskier to remain in that pool. Those who chose to stay with the State plan did so because their expenses are higher than the City of Hampton's. They have a higher risk or a higher claims experience under the line of duty program. Those who stay in the plan may end up worse off in the future because we don't know who will opt out this year. The pool of municipalities staying in the State Plan is a much higher risk pool of covered members based on higher death claims or annual expenses for medical and health insurance premium reimbursements.

Ms. Bunting added the more localities that pull out, the more expensive and risky it will become which is one of the factors that led us to suggest opting out.

Councilman Stuart thanked Ms. Whistler for her explanation and for the clear chart provided.

Ms. Whistler noted these are valuable benefits for the peace of mind for families and the members. It is not that there is a problem with us paying for these types of benefits; rather, the issue is that there is no guarantee that the rates are going to be maintained at a certain level if we go with the State Plan.

Councilman Tuck asked if a sufficient number of localities pull out of the plan, will the State have to do something different to fund this or will there be some other kind of funding mechanism passed on to localities to recapture that money?

Ms. Bunting stated she believes the General Assembly has structured this so that the localities that are participating in the State pool will be responsible for those costs, just as we are responsible for our own individual retirement costs and whatever our claims experience is with our retirement program. The State has designed this so that the line of duty is a separate pool, and since she cannot predict what the General Assembly will do, in her opinion it is trying to get localities to bear the cost of the program and whoever is in the pool will pay based upon that rated experience.

Mayor Ward noted since this is an unfunded mandate being forced on us, there is a continued effort by VML on behalf of the firefighters and public safety employees to come up with a funding stream at the General Assembly level that will pay for this so that there isn't an unanticipated burden on the localities. This will particularly hit those localities who have riskier pools than we do. She said she is hopeful that we will see some movement in the General Assembly.

Ms. Whistler noted they have been looking at some of the mandated benefits/payments that the State tried to push down to localities, some of which are seeing revision; however, we are not hearing anything with regards to the Line of Duty as of yet. Since there is no guarantee of what will happen, our concern is that we make an irrevocable election.

Mayor Ward commented we have to make the best decision with the facts we have while continuing to fight in Richmond to put this back on the Commonwealth's plate to get a dedicated funding stream and not make it a burden on our local taxpayers.

Vice Mayor Wallace commented this is an example of a situation where all the facts are not clear, yet we have to make a decision based on what we know. He noted he is somewhat lost regarding how to respond to this, other than to go with staff's recommendation.

Councilman Kearney asked Ms. Bunting to elaborate on where we are going with this. For example, does this mean we are going to do away with this benefit?

Ms. Bunting replied we do not have the legal ability to do away with the benefit because the State has not given us that permission. We as a community support benefits for those who risk their lives for us, but the issue is how to fund it given the State has

passed the bill on to us. She explained the options are to stay in the State system which is becoming a riskier pool which the State can manipulate in terms of what cost they put on top of that pool, or we can self-fund it through our self-insurance fund. Our recommendation is to do the self-insurance fund of the City which is estimated to save approximately \$100,000 per year. She clarified we are not changing any of the benefits and these are in addition to the life insurance benefits.

Councilman Kearney noted that in 1977, volunteer firefighter and former Hampton Judge Macy Carmel was the first to receive these benefits when he passed away shortly after fighting a fire.

Councilman Stuart commented how Councilman Kearney's knowledge of the history of our City will be missed. He then stated if we are in the State system, the City cannot shop amongst carriers. Ms. Whistler agreed. Councilman Stuart said this limits our competitive ability which increases cost, and we are maintaining benefits but would have the option to raise those which allows us to maintain the 20 categories that currently exist.

Ms. Whistler stated most of the administration of the plan remains the same and clarified the eligible members and the categories do not change. However, instead of us invoicing the Department of Accounts on a monthly basis for medical premiums or sending the claims to them, they would still approve cases and determine who is eligible, and we would process the payments out of our risk fund.

Councilman Stuart said he has not yet arrived at anything negative about this and asked if there is a risk to not doing this. Ms. Whistler replied if we are on a pay as you go plan, there is a risk if we have a situation where multiple individuals may be killed in one serious accident.

Councilman Tuck asked if there are other anticipated administrative costs beyond FY13 of \$135,000? Ms. Whistler clarified that the \$135,000 is a loan re-payment and administrative costs are built into the premiums. She explained for each new case we submit for review approval we will be billed approximately \$1,600. Since we will be taking on the monthly payment of claims, we will meet with Risk Management to determine the logistics. Currently, we have approximately 14 individuals we are paying so it is not a huge cost to Hampton.

Mayor Ward said our choices are to self-insure or go with the State.

Ms. Bunting added items 10 and 11 under the evening consent agenda relate to this. Item 11 is the resolution setting forth our irrevocable election not to participate in the State fund. Item number 10 involves adopting a resolution recognizing the volunteer members of the fire companies as an integral part of our public safety program.

Councilman Tuck asked whether or not volunteers are included in the existing Line of Duty Act. Ms. Bunting replied they are and have been included as long as the State has recognized volunteers; however, with changes in the administration of the program, we are being required to adopt new resolutions. Ms. Bunting reiterated this is not a change and no one is getting less or more benefit; instead, it is administratively what we need to do.

Councilman Tuck asked whether or not disability is included with the cost. Ms. Whistler replied in the case of disability, the majority of claims are paid by health insurance premiums. VRS includes the disability retirement. For example, a firefighter that passes away within five years of retiring under a disability retirement from an illness considered a presumptive illness, such as respiratory, cardiac disease or hypertension. There is also a payment if they die within five years of retirement.

Ms. Bunting clarified the question is did we have our actuary look at all of what would be required, and the answer is yes. Whether it is a death or injury that we have to support with health insurance claims to make those projections, this is the better way to go.

PRESENTED by Dianne Whistler, Retirement Systems Coordinator.

2. 12-0230 Briefing on Green Fleet Initiatives FY13-17

Ms. Bunting introduced the item stating years ago, Council placed an emphasis on environmental sustainability and being good stewards of the environment. We have been working on reducing our carbon footprint on our community, particularly since we have many vehicles on the road including Police and Fire vehicles. She then introduced Director of Fleet Services Mr. Rick Russ to brief Council on Hampton green fleet initiatives, how we can transition our fleet to becoming green in an economical and responsible way, and how we can reduce our carbon footprint on our community.

Mr. Russ greeted the Mayor, the Vice Mayor, the Councilmembers, the City Manager and the City Attorney and stated his staff is responsible for maintaining and repairing approximately 1,300 vehicles and pieces of equipment, offering 24 hour/7 day per week vehicle fueling services, providing acquisition and disposition services for vehicles and equipment and having a motor pool service. He then briefed Council on what he and staff envisions doing over the next four to five fiscal years relative to greening our fleet.

A copy of the presentation is attached to the minutes.

Mr. Russ defined the term "greening our fleet" as determining how to alter the behavior of fleet users and the make up of the fleet in order to attain fuel reduction and emission reductions.

Mr. Russ referenced slide 5 of the presentation which notes we are targeting 90% of our light duty vehicle purchases to be considered green. He explained the 90% versus 100% is because there are applications where the technology or the vehicle may not be available to acquire. He then referenced slide 6 of the presentation and stated we have three refuse trucks slated for replacement and our goal is to convert them to compressed natural gas (CNG). He noted that replacing those three trucks alone will be like replacing the entire light side of our fleet including Police; therefore, we would make an immediate impact by converting those three vehicles.

Councilman Kearney asked what the cost of the diesel refuse truck is in comparison to one that is green and whether or not the life expectancy of a green vehicle is greater than that of a diesel powered truck. Mr. Russ replied the cost to obtain each CNG refuse truck is approximately \$25,000 - \$30,000. He explained, from an engine combustion standpoint, the green vehicle has a much cleaner running engine, yet has other working components which wear. He added that overall the CNG truck is a better

truck. Councilman Kearney stated his point is that we are not just going green to be going green; instead, there are savings in other areas. Mr. Russ concurred and stated the savings can particularly be seen in maintenance and repair.

Councilman Tuck asked Mr. Russ to clarify what is meant by replacement, disposal and conversion of vehicles. Mr. Russ clarified the three trucks will be replaced with CNG vehicles.

In response to Councilman Stuart's inquiry about the City purchasing the trucks from women and minority owned businesses, Mr. Russ stated we hope that is the case and will report on that at the appropriate time.

In response to Vice Mayor Wallace's inquiry about the difference between propane and CNG trucks, Mr. Russ stated there are many of the same emission reductions; however, the propane infrastructure is easier to bring online, most of which is on light duty vehicles. He noted he would review specific examples and answer additional questions later in the presentation.

Ms. Bunting noted we will begin doing conversions on recently purchased vehicles that have 10 year or longer life spans; however, we will not wait the 10 years to replace them. We are aiming for new purchases to be of green vehicles, whereas the vehicles that will remain in our fleet for some period of time will be converted. Mr. Russ concurred and stated the key is determining when to do the conversion so that the return on investment makes sense.

Mr. Russ continued his presentation stating in July of 2012, an inventory of what is currently in the fleet will be taken recognizing what maintenance class they are in, and receive data through the Environmental Protection Agency (EPA) and others to ascertain what is being emitted in the atmosphere in order to have a point of departure regarding attempting to reduce emissions.

Mr. Russ elaborated on the infrastructure needs referenced on slide 11 of the presentation. Part of the infrastructure needs involve a phased approach in providing fueling stations. Refuse trucks are typically constructed to be parked, have a slow fill and are ready for departure the next morning; and therefore, it will not be necessary to look for more real estate to build this type of infrastructure. Modifications to the building in which maintenance and repairs are done for CNG vehicles is another significant piece relative to infrastructure. For example, as a result of compressed natural gas being light and going up toward the ceiling, ventilation types of retrofits will need to take place. This is where we will be in FY13.

Mr. Russ discussed the portion of the first action plan strategy which refers to flex fuel vehicles as described on slide 14 of the presentation. Flex fuel vehicles can use either standard unleaded gasoline or a blend of 15% gasoline and 85% ethanol (E-85). There are approximately 30 vehicles in the fleet that are flex fuel vehicles, most of which are in the Police Department. The gas we receive and the gas at local retail establishments is approximately 10% ethanol. The supply is not readily available here; instead, fuel availability is mainly in the Midwest where corn is plentiful for production and government support.

Mr. Russ noted when compared to standard gas burning sedans, the use of hybrid vehicles reduces fuel, maintenance and repair costs by approximately 80%. He added currently, there are approximately nine hybrid vehicles in our fleet and the intention is to explore even more applications to employ hybrid technology.

Councilman Tuck asked why would flex fuel vehicles be purchased if there is a lack of availability of the ethanol blend fuel and whether or not there was an option to purchase hybrid vehicles versus flex fuel vehicles. Mr. Russ replied the vehicles come that way as standard manufacturing and noted there was no option on that application regarding purchasing hybrid vehicles versus flex fuel vehicles.

Mr. Russ continued his presentation stating there was an opportunity to purchase electric vehicles; however, the press revealed specific challenges relative to electric vehicles such as fires, and therefore, we decided to hold back on that idea. This would also have required infrastructure adjustments and a means to charge the vehicles over night.

In response to Councilman Stuart's inquiry about what portion of our fleet are American built vehicles, Mr. Russ replied approximately 97% of our fleet is American. He added the only non-American component rests with some of the Honda and Toyota hybrids; however, we also have some Malibu hybrids.

Mr. Russ continued his presentation elaborating on the following efficient vehicle operations listed on slide 17 of the presentation: (1) driver behavior. This refers to an outreach from fleet services to users and potential users of our fleet. It involves educating on how to use telecommuting versus driving as well as ways to save fuel. This will be an education component as we move forward in educating our customers on how important it is to save money. (2) reducing vehicle idling. This can be implemented by having an anti-idling policy not only for City workers, but also for vendors who deliver products. This is an opportunity to exercise responsible ways of reducing emissions. (3) right sizing the vehicles. Buying the smallest vehicle for the application. (4) right sizing the fleet. This is a way of managing the number of vehicles and pieces of equipment in the fleet by targeting those that are under-utilized, moving them to a more pooled use or other departments that have a need for them. Over time, this thins out the fleet which is a great way to save money and reduce emissions.

Mr. Russ noted several departments have been great partners in this effort over the last six months. He further noted there is a motor pool program which will soon be in full swing located at the Rupert Sargent Building, across from City Hall and at Fleet Services. This is at the fingertips of our employees and hopefully over time we can reduce the number of department issued vehicles to meet some of our goals.

Mr. Russ stated strategic partners include City departments, fleet managers in the region, the Clean City Commission and the State of Virginia. He added the Governor recently issued an order that his entire fleet would be green, and with vehicles so spread out in the State, they are looking at opportunities to increase the infrastructure along Interstates 64 and 95 corridors. However, they don't have enough vehicles and equipment to justify where they want to go in terms of construction timetables, so they are working with us and the private sector to stimulate demand so that we can be partners in utilizing those kinds of infrastructure. He stated he is pushing for them to

understand that Hampton has a great location for a public CNG, electric infrastructure location near the I-64 corridor.

Mr. Russ concluded his presentation by speaking about the costs associated with the strategic plan. Typically, a full fledged CNG infrastructure unit for the size of our fleet would cost approximately \$1 million. Some assistance can be received from grants, but there are also opportunities to get the infrastructure built and capitalize the cost of that in the gallon equivalent in CNG where it is being paid over time through the cost of the gas. Retrofitting the garage that can accommodate the maintenance and repair aspects of what we are trying to do is estimated at \$350,000. The cost over the next three to five years is estimated at \$1.6 million. We will quantify that more definitively over the next few months once we explore some of these alternative fuel opportunities. In terms of the impact on the general fund, we are going to phase this so that the impact is very negligible.

Ms. Bunting noted in an effort to let our community know that we are trying to be good environmental stewards, staff will be presenting Council with similar types of topics regarding what is going on behind the scenes on the community's behalf to prepare for the future.

Councilman Kearney suggested Communications Strategist Ms. Robin McCormick, her staff and Channel 47 do public relations work in the community regarding this topic.

PRESENTED by Rick Russ, Director, Department of Fleet Services.

3. 12-0251 Briefing on the Status of Fort Monroe

Ms. Bunting publicly acknowledged the efforts of City staff, the Fort Monroe Authority (FMA), the Hampton Police Department, the Fire and Rescue Department, the first responders, the Convention and Visitors Bureau and the Parks and Recreation staff for their involvement in supporting and making the Opsail event a success. She added many people visited our area to enjoy the sailing ships parade and received exposure to what Fort Monroe offers as a community asset.

Ms. Bunting reported that the FMA has advised her that they expect the contract and lease with Baxter regarding the Bay Breeze Community Center to be signed this week enabling an opening in mid to late June. She reminded everyone that the City will not be in control of that facility; instead, it is a Fort Monroe facility which will ultimately be on the National Park Service land. Currently, the Army, the National Park Service and the FMA have worked to lease that site so that people can enjoy that asset.

Ms. Bunting reported that the National Park Service indicated they are providing and accepting comments on their website regarding input on the National Park Service planning. Several months ago, several outreach meetings were held and they are continuing to receive input on their website. The National Park Service indicated at the FMA Board meeting that they would be adding an additional staff member to their Fort Monroe complement in July which continues to reflect the National Park Service's commitment to standing up a full-fledged facility at Fort Monroe.

Ms. Bunting reported that the Army caretaker continues to prepare facilities for the transfer to the Commonwealth. The two types of properties to be transferred are those

that are disputed and those that are undisputed. We have been told that some portions of the property may transfer later this summer. The City has made an arrangement with the FMA that in the meantime, they would pay the payment in lieu of taxes on all properties that the State is leasing from the Army since the State does not own anything as of yet. They made their first payment in lieu of taxes to the City a few weeks ago honoring that commitment that they would pay for the leased properties from the Army.

Ms. Bunting reported that we have a community center under lease which we would not open until the full transfer occurred from the Army to the FMA because it triggers a higher in lieu of tax payment, which would then give us the funds to open that community center. She announced that the YMCA will sublease the facility to offer a regional day camp summer program where campers from all over the region will come to Fort Monroe to learn about its history and natural beauty. She expressed excitement that children will tell their parents and grandparents how much they love it and parents and grandparents will be inspired to take the children back. For the benefit of the public, Ms. Bunting clarified that the City will ultimately open and run the facility; however, it will be run by the YMCA only for the summer program. She added that we hope to get sufficient funds through the payment in lieu of taxes to operate the community center sometime in the next fiscal year depending upon when the Army transfer to the Commonwealth occurs.

Ms. Bunting reported that her staff and the FMA staff continue to work with the Office of Economic Adjustment (OEA) for a grant to support the Phoebus and Buckroe Planning Activities. We have discussed the effect the closure of Fort Monroe has had on Phoebus. The OEA should be supporting many of our transition efforts in Phoebus. They also agreed to look at Buckroe and we are hopeful that the OEA grants will be made available to our community through the FMA sometime this summer. She noted we continue to work the issue and sometimes the Federal Government is more slow-moving than we may want; however, for the record, we have not given up on OEA funding to support the Phoebus and Buckroe communities.

Ms. Bunting encouraged the public to participate in the second public meeting for the Master Planning process for Fort Monroe on Tuesday, June 19th from 3 – 8 p.m. in building 75. During that time, citizens may view the static displays that are evolving out of the community conversations and provide input. She noted we will be pushing out that information through our e-news services and other media releases. The public may go to the Fort Monroe site to participate in the online conversations. The Master Plan process is an active on-going process in which we encourage residents to continue to participate.

PRESENTED by Mary Bunting, City Manager.

REGIONAL ISSUES

NEW BUSINESS

Councilman Tuck noted we are approximately 17 days from the end of the fiscal year and have appropriated approximately \$250,000 for a disparity study; yet, there has been no report on whether or not we have awarded it or if we are waiting for the next fiscal year.

Ms. Bunting noted one of the reasons for the late start in the fiscal year was because we were trying to work with the regional consortium to get a regional disparity study; however, this did not happen due to a variety of funding reasons with individual localities. She then asked Finance Director Mr. Karl Daughtrey to give Council a brief update.

Mr. Daughtrey stated the first interview with the first company was held yesterday, and all other interviews will conclude Friday. He added hopefully a decision will be made within the next two weeks prior to the end of the fiscal year.

For the benefit of the public and for the record, Councilman Kearney noted Mr. Jason Evans, former Garrison Commander, received his first star as a General at Fort Knox. Mr. Evans is a rising star and loves the Hampton Community. Councilman Kearney further noted that Council sent him a congratulatory letter and stated Council and the community is very proud of him. Mayor Ward commented that we can always use friends of Fort Monroe in higher places.

CLOSED MEETING

4. 12-0249 Closed Session as provided in Virginia Code Section 2.2-3711.A.1 to discuss a personnel issue involving the City Manager, City Attorney and Clerk of Council and

APPROVED - 12-0249 and 12-0259 were handled in one vote.

Motion made by: Councilmember Ross A. Kearney, II

Seconded by: Vice Mayor George E. Wallace

Ayes: 6 - Ross A. Kearney, II, Will Moffett, Christopher G. Stuart, Donnie R. Tuck, George E. Wallace, Molly Joseph Ward

Nays: 0

Absent: 1 - Joseph H. Spencer, II

- . 12-0154 to consider appointments to the Hampton Redevelopment and Housing Authority (HRHA)

NO ACTION REQUIRED

- . 12-0231 to consider appointments to the Planning Commission

NO ACTION REQUIRED

- . 12-0242 to consider appointments to the Transportation District Commission of Hampton Roads

NO ACTION REQUIRED

- . 12-0247 to consider the appointment of an alternate to the H2O Community Development Authority.

NO ACTION REQUIRED

- 12-0259 Closed session discussion pursuant to Va. Code Section 2.2-3711A.3 to discuss the disposition of publicly held property near the Phoebus area, and various other parts of the city; and closed session discussion pursuant to Va. Code Section 2.2-3711A.29 to discuss the award of a contract involving the expenditure of public funds where discussion in open session would adversely affect the bargaining position or negotiating strategy of the city.

APPROVED - 12-0249 and 12-0259 were handled in one vote.

Motion made by: Councilmember Ross A. Kearney, II

Seconded by: Vice Mayor George E. Wallace

Ayes: 6 - Ross A. Kearney, II, Will Moffett, Christopher G. Stuart, Donnie R. Tuck, George E. Wallace, Molly Joseph Ward

Nays: 0

Absent: 1 - Joseph H. Spencer, II

Certification

5. 12-0250 Resolution Certifying Closed Session

WHEREAS, the City Council of the City of Hampton, Virginia, has convened a closed session on this date pursuant to an affirmative recorded vote made in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712D of the Code of Virginia requires a certification by the City Council of the City of Hampton, Virginia, that such closed meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hampton, Virginia, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the city council of the city of Hampton, Virginia.

ADOPTED

Motion made by: Councilmember Ross A. Kearney, II

Seconded by: Councilmember Will Moffett

Ayes: 6 - Ross A. Kearney, II, Will Moffett, Christopher G. Stuart, Donnie R. Tuck, George E. Wallace, Molly Joseph Ward

Nays: 0

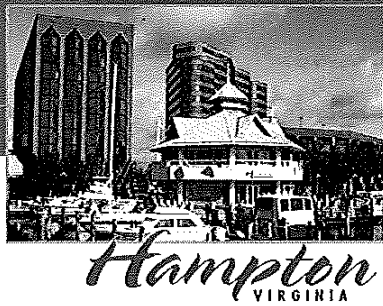
Absent: 1 - Joseph H. Spencer, II

Molly Joseph Ward
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____

Virginia Line of Duty Act



Hampton City Council

June 6, 2012

Virginia Line of Duty Resolution



Virginia Line of Duty

Review LODA Benefits,
Recent Changes &
Impact on the City of Hampton



Line of Duty Act

Mandated, state-funded benefits for state and local “hazardous duty” covered members and/or their beneficiaries due to death or disability in the performance of their job



Recent Changes

July 2010 - separate LODA **Fund** was established and “loan” from VRS Group Life Program was used to pay FY 2011 LODA benefits - helped balance the State budget (localities to re-pay the loan)

FY 2012 - Premiums collected from participating localities



Current Status

July 2012 deadline for irrevocable election
to opt-out of state plan

Or

Remain with state plan

Finance/June 6, 2012

LODA

Slide 5



Cost Impact

Remain or Opt-out of State Program

	FY 2012	FY 2013	FY 2014
State Plan Premiums paid & projected	\$ 165,000	\$ 354,658	\$ 390,433
Self Insure Health Premiums		\$ 340,000*	\$ 240,000**

*Includes one-time loan payback \$135,000

**Based on earlier actuarial study; subject to change based on experience

Finance/June 6, 2012

LODA

Slide 6



Recommendation

Opt-out of state LODA plan

Premiums likely to increase even more due to localities with higher LODA expenses remaining in State program

Initial actuarial data self-funded costs are less than current State plan projections

Irrevocable nature of election – no control over process/payments/funding

Hampton Green Fleet Initiatives FY13-17



Hampton
VIRGINIA

Hampton City Council

June 13, 2012



Motivation For Greening Hampton's Fleet

Air Pollution- In June 2004, the EPA designated Hampton Roads as a " nonattainment " area because the air quality did not meet the 8 hour ozone standard. Vehicle traffic contributed heavily to this unhealthy concentration of smog pollutants.

□ While the region has since received designation of "attainment" (in 2007) through 2018, the City of Hampton wishes to play a role in ensuring that " non-attainment" designation does not return.

□ By greening our own fleet operation, the City of Hampton can lead by example and stimulate private fleets to reduce their vehicle emissions as well.



Cont. Motivation for greening Hampton's Fleet

Fuel Usage: In FY11, City vehicles and equipment consumed almost 1.2 million gallons of fuel.

**PROTECT THE ENVIRONMENT AND THE
BOTTOM LINE!**



Goals of Plan

- 4 Goal 1: Reduce Fleet Fuel Usage
- 4 Goal 2: Reduce Fleet Vehicle/ Equipment Emissions

The City of Hampton will manage and operate its fleet so that vehicles are the most fuel efficient, low emission vehicles possible that still met various operational needs of the City.



Proposed Measurements Toward Meeting Goals

4 Measure 1: Total annual City petroleum usage

- ✚ Target: Reduce annual city petroleum use by 3% (36,000 gallons) by the end of FY15

4 Measure 2: Light duty vehicle purchases that are considered green

- ✚ Target: 90% from FY13-FY14



Cont. Proposed measurements toward meeting goals

4 Measure 3: Heavy duty truck purchases that are considered green

- ☐ The City's fleet includes heavy-duty vehicles (large trucks and refuse trucks).
- ☐ Refuse trucks are the largest contributor to emissions and fuel consumption due to the " stop and go" nature of the truck's operation. These trucks consumed over 174,000 gallons of diesel fuel in FY11.
- ☐ From an emissions reduction stand point, the conversion of 1 refuse truck from diesel to compressed natural gas (CNG) has the same emissions reduction impact as that of removing 325 light-duty vehicles off the road.

- ✚ Target : 75% from FY13-FY14; 100% of refuse trucks from FY13-FY17



Cont. Proposed measurements toward meeting goals

- 4 **Measure 4:** Percentage of eligible on-road and off-road diesel vehicles and equipment retrofitted with emission control devices
 - Target: 100% by end of FY14
- 4 **Measure 5:** Percentage of eligible on-road and off-road vehicles and equipment on which (propane and compressed natural gas) conversion kits will be installed
 - Target: 100% by end of FY15



Cont. Proposed measurements toward meeting goals

- 4 **Measure 6 :** Ensure that the City's vehicle fleet meet or surpass established emission reduction targets (will develop FY12 baseline and reduction target in July, 2012).



Action Plan Strategies

- ✦ In order to accomplish goals, action steps shall focus on the following strategies:
 - I. Operating cleaner vehicles (cleaner fuels and cleaner engine operation)
 - II. Operating vehicles more efficiently (more efficient vehicle types and more efficient use of vehicles that result in fuel savings)



Strategy #1 Achieve cleaner operating vehicles:

- I. Value –added technology
 - i. Diesel truck retro-fits that reduce particulate emission by 30-90%
 - ii. Propane and CNG conversion kits on eligible light vehicles with high utilization and idle times (emits 50% less smog- producing emission when compared to gasoline engines)
 - iii. Anti-idling devices : 1 hour of idling equals approximately 33 miles of engine wear in a standard automobile. Device is designed to automatically shut off engine when vehicles idles for more than a pre-set time limit without moving.

Recommended Action: Conduct analysis of all City diesel and gas vehicles to determine number eligible for retro-fit and conversion kits, and install beginning in FY13. Pilot the installation of anti-idle devices on selected vehicles in FY13



Cont. Strategy #1

II. Alternative fueled vehicles (operate on fuels other than petroleum based gasoline and diesel).

i. CNG (Compressed Natural Gas): CNG vehicles emit fewer emissions than petroleum fueled vehicles (approximately 50% less)

- Types available: mostly heavier duty applications such as large trucks, step vans, transit buses, school buses, refuse trucks. Only light-duty CNG vehicle is the Honda Civic.

Recommendation: Pursue grant funding opportunities to assist in CNG vehicle purchases and in the construction of CNG fueling infrastructure. Additionally, consider CNG across a wide range of light, medium and heavy duty applications where practical and available.



Cont. Strategy #1

III. Propane – Vehicles using propane emit 50% less smog-producing emissions than those using gas fuel.

i. Suitable for light-medium vehicles with high utilization. Also available in heavy duty vehicles, sweepers, and school buses.

ii. Infrastructure is easy and relatively inexpensive.

Recommended Action: Conduct analysis of City vehicles to be replaced in FY13-14 that would be candidates to replace with propane vehicles. Work with local propane suppliers to determine infrastructure needs.



Cont. Strategy #1

IV. Biodiesel (clean, renewable fuel, made by refining any fat or oil such as soybean oils, vegetable oils, recycled restaurant grease). Typically mixed with petroleum diesel to create a biodiesel blend.

- ✦ Biodiesel has been shown to reduce harmful ozone smog by at least 50% from regular diesel. (B-20 complies with EPA energy act)
- ✦ Types of vehicles that use bio-diesel: School buses, transit, off-road vehicles (tractor, etc.) Bio-diesel fueling of light vehicles (less common)
- ✦ Fuel available in all states

Recommended Action(s): Continue to explore benefits of using . Consider appropriate price points in this analysis.



Cont. Strategy #1

V. Flex Fuel vehicles: Refers to vehicles that can use either standard unleaded gasoline or E-85 (A blend of 15% gasoline and 85% ethanol). E-85 comes from renewable resources like corn.

- ✦ Reduces emission by over 40%
- ✦ SUVs, Pickups, Sedans
- ✦ Fuel availability mainly in Midwest where corn is plentiful for production and government support .



Cont. Strategy #1

VI. Hybrid Vehicles- Vehicles that combine highly efficient gas engine with an advanced electric motor

✦ Reduces smog-forming emission by up to 90%

- ☐ Light duty (cars, suv's, light trucks etc.)
- ☐ Medium – heavy trucks

VI. Electric Vehicles



Cont. Strategy #1

VII. Procurement Practices

✦ Insert "Green" language in bid specifications that gives preferences to hybrids and alternative fuel vehicles.

✦ Include a minimum efficiency standard in miles per gallon for each vehicle class for which the City has procurement specifications

✦ Require all passenger vehicles and light duty trucks to be rated as ultra-low emission or zero emission vehicles, when this option is available



Strategy # 2 More efficient vehicle operations

- I. Driver Behavior
- II. Reduce Vehicle Idling
- III. "Right -Sizing " vehicles
- IV. Right Sizing the Fleet



Getting It Done

✦ Strategic Partners

✦ Next Steps